



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 22, 2003

S. 1146

Three Affiliated Tribes Health Facility Compensation Act

As ordered reported by the Senate Committee on Indian Affairs on July 16, 2003

SUMMARY

S. 1146 would authorize the appropriation of \$20 million for the construction of a new hospital on the Fort Berthold Indian Reservation in North Dakota. The bill also would authorize the appropriation of such sums as necessary for other expenses—such as operating costs—associated with the new facility.

CBO estimates that implementing S. 1146 would cost \$2 million in 2004 and \$57 million over the 2004-2008 period, assuming appropriation of the necessary funds. These costs would be borne by the Indian Health Service (IHS), which would construct and operate the new hospital. The bill would have no effect on direct spending or revenues.

S. 1146 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 1146 is shown in the following table. The costs of this legislation fall within budget function 550 (health).

	By Fiscal Year, in Millions of Dollars					
	2003	2004	2005	2006	2007	2008
SPENDING SUBJECT TO APPROPRIATION						
Construction of New Hospital						
Estimated Authorization Level	0	1	1	12	6	0
Estimated Outlays	0	1	1	12	6	0
Construction of Staff Quarters						
Estimated Authorization Level	0	1	1	12	5	0
Estimated Outlays	0	1	1	12	5	0
Equipment and Furnishings						
Estimated Authorization Level	0	0	0	0	3	0
Estimated Outlays	0	0	0	0	3	0
Operating Costs						
Estimated Authorization Level	0	0	0	0	5	10
Estimated Outlays	0	0	0	0	5	10
Total Spending Under S. 1146						
Estimated Authorization Level	0	2	2	24	19	10
Estimated Outlays	0	2	2	24	19	10

BASIS OF ESTIMATE

CBO estimates that implementing S. 1146 would cost a total of \$57 million over the 2004-2008 period, assuming appropriation of the necessary funds. Construction of the new hospital would cost \$20 million over that period, while related costs would total \$37 million.

Construction of New Hospital

S. 1146 would authorize the appropriation of \$20 million for a new hospital on the Fort Berthold Indian Reservation in North Dakota. Based on the Indian Health Service's experience in building other hospitals, CBO assumes that planning and design for the new hospital would take place during 2004 and 2005, and that construction would begin in 2006 and be completed in 2007. CBO estimates that costs for these activities would be \$1 million in both 2004 and 2005, \$12 million in 2006, and \$6 million in 2007.

Construction of Staff Quarters

In addition to the hospital itself, IHS would also have to build living quarters for hospital staff. Based on information from IHS, CBO estimates that the cost of these quarters would total about \$19 million. CBO assumes that these quarters would be built at the same time as the hospital, with costs of \$1 million in both 2004 and 2005, \$12 million in 2006, and \$5 million in 2007.

Equipment and Furnishings

Based on information from IHS, CBO estimates that the purchase of medical equipment and furnishings for the new hospital would cost \$3 million in 2007.

Operating Costs

Based on information from IHS, CBO estimates that staffing and maintenance costs for the new hospital would total \$5 million in 2007 and \$10 million in 2008. Costs in 2007 would be lower because CBO assumes that the new hospital would be open for only part of the year.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1146 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

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